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competitive with California solar once transmission costs were included. California possesses such strong solar resources that it would be difficult to justify building new transmission lines to out-of-state solar. Biomass and wind resources in Washington were found to not be cost competitive also due to the high cost of building new transmission.

5.6 Non-CREZ Resources

As with out-of-state resources, there are several non-CREZ resources that are cost competitive and may be used to serve California's energy requirements to satisfy the RPS goals. Resource areas containing less than 250 MW of potential were not considered as a CREZ, as it is likely these resources will interconnect to the grid at voltages below 230 kV. About 70,000 GWh/yr of smaller-scale non-CREZ resources were modeled in California, the majority of which were 20 MW solar PV projects. Most biomass projects are also not within CREZs, as they are generally smaller and can be sited to take advantage of existing transmission infrastructure. In addition, several smaller, isolated geothermal and wind projects were modeled as non-CREZ resources. Many of the non-CREZ resources are located in northern California.

<u>Resources</u> that are not reliant on large-scale transmission planning to be integrated into the system may be able to be brought on-line faster and at lower cost than CREZ resources that are reliant on such transmission.

Based on the base case economic assessment, a total of seven wind and geothermal projects were considered competitive with California CREZs. These projects, listed in Table 5-4, total about 430 MW and 2,200 GWh/yr of annual generation. This is a relatively small fraction of the total supply needed to meet California's RPS. It should be noted that this assessment does not exclude consideration of additional non-CREZ resources. Because of the uncertainty of the costs and timing for the large scale transmission needed to reach CREZs, it is very likely that significantly more than 430 MW of non-CREZ resources will be developed in California.

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